In re: All Asbestos Litigation Filed by The Simmons Firm, Circuit Court, Third Judicial District, Madison Cty., IL; 8/28/03

III. OEM ACTIVITY

A. Ford Motor Company

1. Ford Product Planning

Meeting was held with Jim Culbertson, Ford Product Manager for Cargo Ram. Braseixos will be the supplier of axles for the Ford Cargo Ram Program in Brazil. Vehicles produced in Brazil and exported to th U.S. will be built with axles produced in the U.S. Jim indicated that Ford has not made a decision relative to the supplier of axles for these trucks exported from Brazil. He did indicate, however, there are basically two suppliers in contention for this business and alluded to the fact that Dana was not a strong contender. A meeting with Nat Adamson is planned for 9/7 to closely follow Cargo Ram.

2. Ford Purchasing

Meeting was held with Ford Purchase Analysis Group and R.A. Pacetti on 8-16. The meeting was an attempt to resolve some of the open questions regarding the pending price increase. Two main problem areas were forgings and castings. Eaton's request on forgings was 10.92 percent and Ford showed a 6.12 percent for the period of time that we had requested. The other area that was questionable was castings, whereby Ford showed a higher figure than we had requested. Alan Bau is to review these areas and also bearings and fasteners. Follow up meeting has been set for 9/16.

3. Ford Square Edge Housing Meeting

On 8-11-83 meeting was held with Ford Engineering to update them on the square edge program. Ken Timmer who is now Manager of Engineer and Drivetrain Department, was very interested and understanding with the progress we have made relative to square edge program. In attendance with Ken was R.A. Pacetti, Ford Purchasing. Ken and Jeff Thompson were advised of the technical developments of the program and timing information on availability of axle housings from the 17 through the 480's.

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